

TRACT 34162 - PORTION OF BLOCK 16, CHANDELEUR AREA, St. Bernard Parish, Louisiana

That portion of Block 16, Chandeleur Area, St. Bernard Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on March 13, 2002, described as follows: Beginning at the Northwest corner of Block 16, Chandeleur Area, having Coordinates of X = 2,797,608.05 and Y =425,604.15; thence East 13,315.73 feet on the North line of said Block 16 to a point having Coordinates of X = 2,810,923.78 and Y = 425,604.15; thence Southwesterly on an arc having a radius of 18,240.60 feet and a center at X = 2,793,260 and Y = 430,155 to a point having Coordinates of X= 2,810,699 and Y = 424,807; thence Southwesterly on a straight line to a point having Coordinates of X = 2,808,680.52 and Y = 418,225.13; thence West 11,072.47 feet to a point having Coordinates of X = 2,797,608.05 and Y = 418,225.13; thence North 7,379.02 feet on the West line of said Block 16 to the point of beginning, containing approximately 2,067.22 acres, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant, LESS AND EXCEPT that portion thereof, if any, which is more than three nautical miles from the coast line as determined by the Report of the Special Master in the litigation in the Supreme Court of the United States styled United States v. State of Louisiana et al No. 9 Original, said three mile line as set out in the June, 1975, decree of the Supreme Court. bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

Any mineral lease of the nominated tract by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties or merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract awarded by the Louisiana State Mineral Board

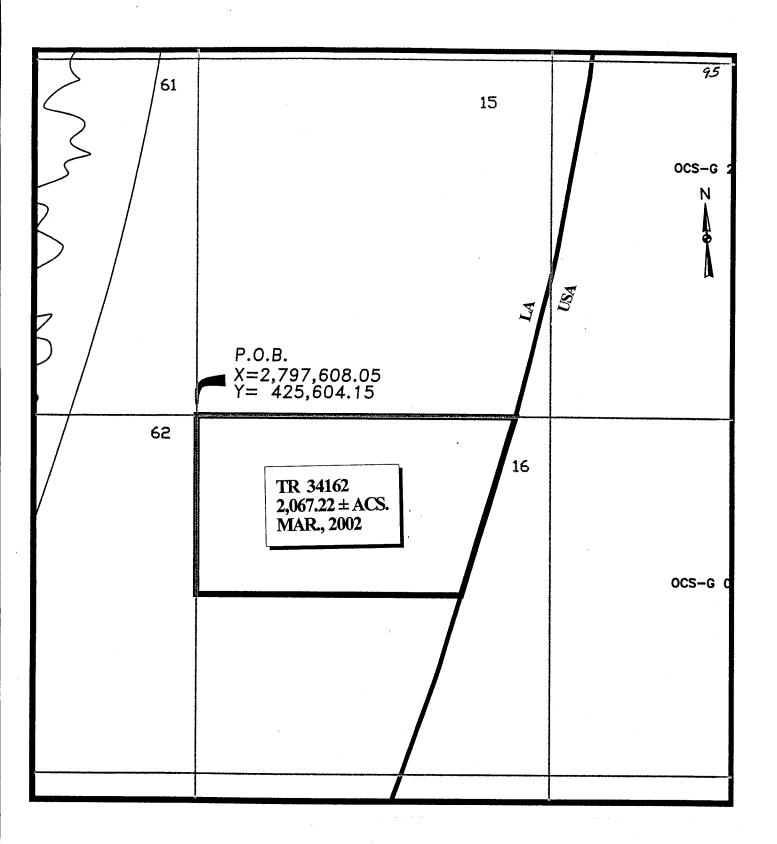
be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other existing of future obligations or conditions which may affect all or any portion of the leased tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

The State of Louisiana does hereby reserve, and this lease shall be NOTE: subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department Natural of Resources, its Offices Commissions, or hereinabove reserved.

Applicant: Crossroads Energy

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other
			-			



TRACT 34163 - PORTION OF BLOCK 16, CHANDELEUR AREA, St. Bernard Parish, Louisiana

That portion of Block 16, Chandeleur Area, St. Bernard Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on March 13, 2002, described as follows: Beginning at the Southwest corner of Block 16, Chandeleur Area, having Coordinates of X = 2,797,608.05 and Y =410,846.10; thence North 7,379.03 feet on the West line of said Block 16 to a point having Coordinates of X = 2,797,608.05 and Y = 418,225.13; thence East 11,072.47 feet to a point having Coordinates of X 2,808,680.52 and Y = 418,225.13; thence Southwesterly on a straight line to a point having Coordinates of X = 2,807,854 and Y = 415,530; thence Southwesterly on an arc having a radius of 18,240.60 feet and a center at X = 2,790,415 and Y = 420,878 to a point having Coordinates of X =2,807,572 and Y = 414,684; thence Southwesterly on a straight line to a point on the South line of said Block 16 having Coordinates of X =2,806,186.37 and Y = 410,846.10; thence West 8,578.32 feet on the South line of said Block 16 to the point of beginning, containing approximately 1,672.67 acres, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant, LESS AND EXCEPT that portion thereof, if any, which is more than three nautical miles from the coast line as determined by the Report of the Special Master in the litigation in the Supreme Court of the United States styled United States v. State of Louisiana et al No. 9 Original, said three mile line as set out in the June, 1975, decree of the Supreme All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

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Any mineral lease of the nominated tract by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties or

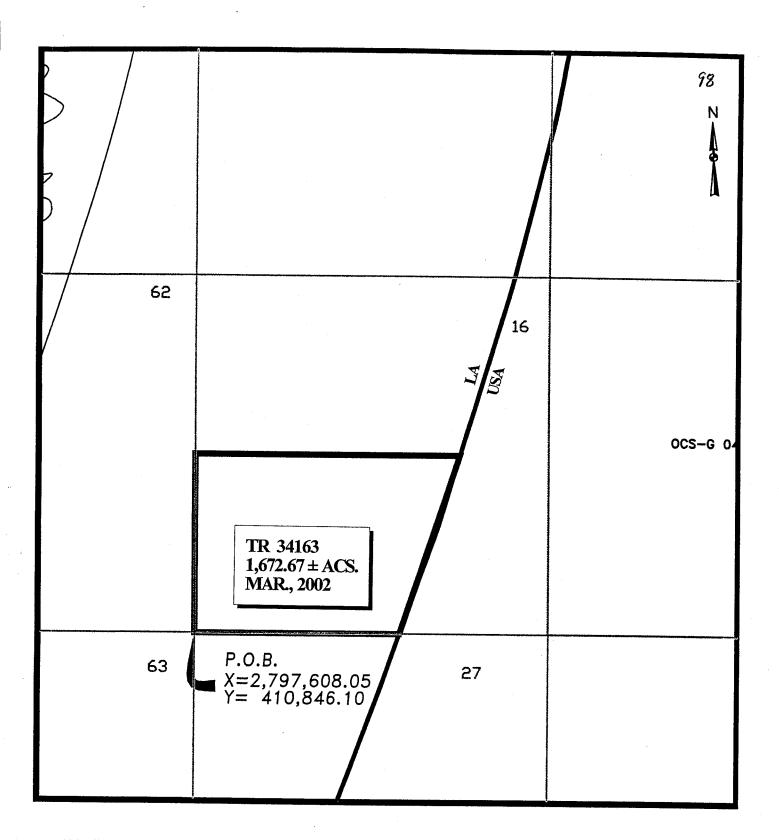
merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other existing of future obligations or conditions which may affect all or any portion of the leased tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices Commissions, and for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, hereinabove reserved.

Applicant: Crossroads Energy

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other



TRACT 34164 - PORTION OF BLOCK 27, CHANDELEUR AREA, St. Bernard Parish, Louisiana

That portion of Block 27, Chandeleur Area, St. Bernard Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on March 13, 2002, described as follows: Beginning at the Northwest corner of Block 27, Chandeleur Area, having Coordinates of X = 2,797,608.05 and Y =410,846.10; thence East 8,578.32 feet on the North line of said Block 27 to a point having Coordinates of X = 2,806,186.37 and Y = 410,846.10; thence Southwesterly on a straight line to a point having Coordinates of X= 2,805,322 and Y = 408,452; thence Southwesterly on an arc having a radius of 18,240.60 feet and a center at X = 2,788,165 and Y = 414,646 to a point having Coordinates of X = 2,788,165 and Y = 414,646 to a point having Coordinates of X = 2,805,227 and Y = 408,196; thence Southwesterly on a straight line to a point having Coordinates of X = 2,803,786 and Y =404,384; thence Southwesterly on an arc having a radius of 18,240.60 feet and a center at X = 2,786,724 and Y = 410,834 to a point having Coordinates of X = 2,803,319 and Y = 403,263; thence Southwesterly on a straight line to a point on the South line of said Block 27 having Coordinates of X = 2,800,045.75 and Y = 396,088.05; thence West 2,437.70 feet on the South line of said Block 27 to its Southwest corner having Coordinates of X = 2,797,608.05 and Y = 396,088.05; thence North 14,758.05 feet on the West line of said Block 27 to the point of beginning, containing approximately 1,920.74 acres, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant, LESS AND EXCEPT that portion thereof, any, which is more than three nautical miles from the coast line as determined by the Report of the Special Master in the litigation in the Supreme Court of the United States styled United States v. State of Louisiana et al No. 9 Original, said three mile line as set out in the June, 1975, decree of the Supreme Court. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

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Applicant: Crossroads Energy

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

